

REPORT

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SUPPLEMENT TO
REPORT NO. 50X1-HUM

(41-59) Germany (Russian Zone)/USSR/Baranov/China

SUBJECT Trade Negotiations in the Soviet Orbit

PLACE
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DATE OF INFO.

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10. The DDR Minister of Foreign Trade, Georg Handke, was due to return to Berlin on 30 August 1951 from Moscow (where he has been engaged in negotiating the five year economic trade pact between the USSR and the DDR) in order to discuss the progress of negotiations with the chairman of the DDR State Planning Commission, Deputy Minister President Heinrich Rau. The negotiations appear to be going well on the whole, and a rapid conclusion is expected. This is due in large part to the complementary character of the opposing demands, with the important exception, however, of iron and iron ore.

2. The German delegation is asking the USSR to supply (inter alia):

Iron
Iron ore
Nonferrous metals
Lead
Cotton
Rubber
Wool
Animal fodders.

It is expected that satisfactory quantities of each of these commodities, with the exception of the first two, will be agreed on.

3. The DDR is offering:

Turning (sic)* and boring mills
Large milling machines
Mining equipment
Metallurgical equipment
Mill trains
Railway trucks
Railway coaches
Railway refrigerator cars
Fishing vessels
Large boilers
Chemicals

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Synthetic rubber (Buna)
 Gasoline
 Industrial alcohol
 Wooden houses
 Films.

The heavy items such as the large boilers, turning (sic)* and boring machines, and milling machines are intended for delivery after 1953, the remainder before that.

4. The negotiations for the recently signed trade pact between the DDR and Rumania did not go very smoothly as each side was demanding what the other could not supply or supply only in insufficient quantities. Rumania had high hopes of securing delivery of large boilers and power plant machinery, but both these requests were turned down by the Germans whose limited production in these fields had already been earmarked for the USSR and Hungary. On the other hand, Rumania was offering agricultural produce (tomatoes, grapes, etc.) which the DDR did not require, and although a certain amount was agreed upon it was done chiefly in order to secure a larger allotment of meat and poultry which the Germans were anxious to buy. The DDR's main demands were for bauxite and alumina; these were met to only a limited extent by the Rumanians. The DDR also asked for feed, in particular albuminous fodder, and small quantities were secured, but because of their own shortages the Rumanians were obliged to limit their offer drastically.
5. The trade pact with Communist China, concluded earlier this year, provided for the delivery to the DDR (inter alia) of tungsten, cobalt, vanadium, wool, and soya beans, and most of the quantities agreed upon have already been delivered. In exchange the DDR was to have delivered machinery of various kinds, but, since the conclusion of the pact, China has requested replacement of this in large part by household ware, bicycles, sewing machines, and the like. This has been agreed to, and the deliveries will be taken out of the home market production.**

* Comment: Possibly lathes.

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** Comment: The lists of commodities in paragraphs 2-5 are not to be regarded as complete.

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